

GATES REPEATS OLD STORY OF FALSE BILLING

Former Councilman, Under
Oath in Gilbert Trial, De-
scribes Rebate Scheme.

PLAYED BY CARTER,
GILBERT'S COUNSEL

Jury Secured and Some Testimony
In When Court Adjourns Out
of Respect to Judge Leake.

Defendant Enters
Plea of Not
Guilty.

ABRUPTLY closing in a discussion as to the admissibility of evidence relating to a devised and prearranged scheme between Alexander P. Gilbert, assistant general freight agent of the Chesapeake and Ohio Railway, on trial for granting rebates, and H. O. Bates, shipping clerk for W. R. Johnston & Co., alleged beneficiaries under a fraudulent scheme of reconsigning grain, the United States District Court yesterday served to disclose the fact that flagrant crimes had been committed somewhere.

Complicately confessing his guilt of numerous forgeries of expense bills, Gates, a former city Councilman, who is regarded as the star witness for the government, told of how he had devised the plan, which would mean a great saving to his employer. He took the stand shortly after the afternoon session opened, and for two hours ignored the gaze of many listeners, and recited his story.

Marble Assisting Lewis.
Frequently interrupted by counsel for the defense, and now and then prompted by his associate, J. H. Marble, attorney for the Interstate Commerce Commission, by which the investigation of local shipping was conducted, Judge L. L. Lewis, district attorney, propounded his questions carefully, little sparing the man who had willingly consented to lay bare the details of the so-called premeditated schemes.

Judge Lewis's opening speech was a denunciation of the Chesapeake and Ohio Railway Company and its officials, who, he stated, knew of the fraud being enacted by Gates, and who, in his inactivity, was but a party to them. Mr. Hill Carter, for the defense, spared no adjectives in his statements relative to the injustice being done an innocent man, whom he claimed had been unwittingly forced to bear the brunt of the charges.

As outlined, the charges against Gilbert are nine counts for granting rebates, in that he allowed Gates, as the agent of W. R. Johnston & Company, to reconsign shipments of grain from Western points, as if they had been

shipped from Virginia, instead of re-
biling them from Richmond, thereb-
saving 3 cents on each 100 pounds to
his employer. The shipments were in-
variably reconsigned to towns in North
Carolina.

Public interest in the proceedings was shown in a great outpouring of spectators, who at both sessions crowded the courtroom and halls. Numerous witnesses, including shipping clerks of the Chesapeake and Ohio, the Seaboard Air Line and the Atlantic Coast Line

There were but three witnesses called, and other than the testimony of Gates, nothing of a sensational nature was introduced.

The day's proceedings were confined to the task of securing of a jury, the opening speeches and the taking of testimony, which ended so abruptly in the afternoon, when Judge Waddill ad-

journeyed court until to-morrow, when attorneys will argue as to whether or not evidence is to be taken as to the alleged scheme concocted between Gilbert and Gates, in 1900, to bring about the frauds which have resulted in the indictments.

It is more than probable that the hearing will not proceed until Friday as Mr. Carter's law partner, Judge William Josiah Leake, died yesterday afternoon. Mr. Carter is the leading counsel for the defense. Judge Waddil

through courtesy allowed a recess today, and as several witnesses have been allowed to go home, the belief that the court will not be in regular session until Friday is general.

Immediately before court opened Judge L. L. Lewis, United States Dis-

Hill Carter, leading counsel for the defense, entered a plea of not guilty for Alexander P. Gilbert, the Ches-

peake & Ohio Railway Co. and Warner Moore & Co., and Mr. Charles V. Meredith, of counsel for W. R. Johnston & Company, also entered a plea of not guilty, explaining that the delayed action had been occasioned by the filing of a demurrer, which had but recently been sustained.

Mr. Carter stated, in reply to a question from Judge Waddill, that counsel were ready for the trial of Mr. Gilbert, which case, he explained, it had been generally understood, would be tried first.

rear of the courtroom to the table be-
side his attorneys. Counsel present for
the defense were: Hill Carter, H. M.
Smith, A. Caperton Braxton, Charles
V. Meredith, Henry T. Wickham and
Jo Lane Stern. The three latter, how-
ever, took no part in the case, and it
is understood that they will not

Jury Quickly Sworn.

There was little delay in securing a jury. R. Turner Arrington being the only one of a panel of eighteen who had expressed an opinion. Forty-two jurors had been summoned, in anticipation of the trial.

Mr. Gilbert was reminded by Clerk